

STATE BONDING FUND
INVESTMENT PERFORMANCE REPORT AS OF FEBRUARY 29, 2008

	February-08				January-08				December-07				September-07				Current FYTD	Prior Year FY07	3 Years Ended 6/30/2007	5 Years Ended 6/30/2007
	Market Value	Allocation	Actual	Month Policy Net ROR	Market Value	Allocation	Actual	Month Policy Net ROR	Market Value	Allocation	Actual	Quarter Policy Net ROR	Market Value	Allocation	Actual	Quarter Policy Net ROR	Net	Net	Net	Net
LARGE CAP DOMESTIC EQUITY																				
<i>Structured Growth</i>																				
Los Angeles Capital	65,303	2.5%	2.8%	-0.15%	65,426	2.5%	2.8%	-9.31%	72,127	2.7%	2.8%	-1.50%	74,953	2.8%	2.8%	0.38%	-10.46%	21.84%	13.35%	N/A
Total Structured Growth	65,303	2.5%	2.8%	-0.15%	65,426	2.5%	2.8%	-9.31%	72,127	2.7%	2.8%	-1.50%	74,953	2.8%	2.8%	0.38%	-10.46%	21.84%	13.35%	10.94%
Russell 1000 Growth				-1.99%				-7.80%				-0.77%				4.21%	-6.55%	19.04%	8.70%	9.28%
<i>Structured Value</i>																				
LSV	65,148	2.5%	2.8%	-3.99%	67,905	2.6%	2.8%	-3.79%	70,558	2.6%	2.8%	-5.53%	73,074	2.7%	2.8%	-0.89%	-13.51%	23.77%	19.00%	16.55%
Russell 1000 Value				-4.19%				-4.01%				-5.80%				-0.24%	-13.57%	21.87%	15.93%	13.31%
<i>Russell 1000 Enhanced Index</i>																				
LA Capital	130,297	5.0%	5.6%	-1.35%	131,920	5.0%	5.6%	-8.07%	143,469	5.4%	5.6%	-1.07%	149,216	5.6%	5.6%	0.24%	-10.06%	21.27%	13.46%	N/A
Russell 1000				-3.06%				-6.00%				-3.23%				1.98%	-10.06%	20.43%	12.34%	
<i>S&P 500 Enhanced Index</i>																				
Westridge	146,529	5.6%	5.6%	-3.12%	151,356	5.8%	5.6%	-5.92%	160,793	6.0%	5.6%	-3.04%	165,370	6.2%	5.6%	2.18%	-9.69%	21.12%	11.98%	N/A
S&P 500				-3.25%				-6.00%				-3.33%				2.03%	-10.30%	20.59%	11.68%	
<i>Index</i>																				
State Street	39,436			-2.96%	40,612			-7.02%	43,645			-6.37%	45,313			-0.80%	-16.18%	21.82%	12.34%	11.08%
Total 130/30	39,436	1.5%	1.9%	-2.96%	40,612	1.5%	1.9%	-7.02%	43,645	1.6%	1.9%	-6.37%	45,313	1.7%	1.9%	-0.80%	-16.18%	21.82%	12.34%	11.08%
S&P 500				-3.25%				-6.00%				-3.33%				2.03%	-10.30%	20.59%	11.68%	10.71%
TOTAL LARGE CAP DOMESTIC EQUITY	446,714	17.2%	18.8%	-2.30%	457,218	17.4%	18.8%	-6.84%	490,592	18.4%	18.8%	-2.89%	507,926	19.0%	18.8%	0.62%	-11.06%	21.86%	13.76%	12.22%
S&P 500				-3.25%				-6.00%				-3.33%				2.03%	-10.30%	20.59%	11.68%	10.71%
SMALL CAP DOMESTIC EQUITY																				
<i>Manager-of-Managers</i>																				
SEI	76,262	2.9%	3.1%	-3.47%	73,823	2.8%	3.1%	-7.57%	79,846	3.0%	3.1%	-6.35%	85,169	3.2%	3.1%	-3.66%	-19.50%	18.39%	13.70%	14.37%
Russell 2000 + 200bp				-3.54%				-6.65%				-4.09%				-2.60%	-15.89%	18.76%	15.72%	16.16%
<i>Enhanced</i>																				
Research Affiliates	74,756	2.9%	3.1%	-2.54%	71,544	2.7%	3.1%	-5.26%	75,674	2.8%	3.1%	-7.00%	81,205	3.0%	3.1%	N/A	N/A	N/A	N/A	N/A
Russell 2000				-3.71%				-6.82%				-4.58%				-3.09%	-17.03%			
TOTAL SMALL CAP DOMESTIC EQUITY	151,018	5.8%	6.3%	-3.01%	145,368	5.5%	6.3%	-6.44%	155,520	5.8%	6.3%	-6.77%	166,374	6.2%	6.3%	-4.98%	-19.53%	18.39%	13.70%	14.37%
Russell 2000				-3.71%				-6.82%				-4.58%				-3.09%	-17.03%	16.44%	13.45%	13.88%
INTERNATIONAL EQUITY																				
<i>Large Cap - Active</i>																				
Capital Guardian	101,851	3.9%	4.0%	0.79%	96,482	3.7%	4.0%	-9.18%	106,089	4.0%	4.0%	-1.23%	107,829	4.0%	4.0%	0.61%	-9.03%	25.99%	21.19%	14.89%
LSV	95,377	3.7%	4.0%	-0.07%	91,253	3.5%	4.0%	-10.58%	102,004	3.8%	4.0%	-6.39%	109,462	4.1%	4.0%	-3.37%	-19.17%	31.24%	N/A	N/A
Total Large Cap - Active	197,228	7.6%	8.0%	0.37%	187,736	7.2%	8.0%	-9.87%	208,092	7.8%	8.0%	-3.80%	217,291	8.1%	8.0%	-1.43%	-14.22%	28.57%	22.95%	18.43%
MSCI EAFE - 50% Hedged				0.38%				-10.14%				-2.19%				0.11%	-11.68%	26.94%	22.55%	15.71%
<i>Small Cap - Value</i>																				
DFA	25,197	1.0%	1.0%	2.19%	23,561	0.9%	1.0%	-6.60%	25,225	0.9%	1.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Lazard	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	26,592	1.0%	1.0%	-3.92%	N/A	21.03%	20.93%	N/A
Total Small Cap Value	25,197	1.0%	1.0%	2.19%	23,561	0.9%	1.0%	-6.60%	25,225	0.9%	1.0%		26,592	1.0%	1.0%	-3.92%	-8.88%	21.03%	20.93%	N/A
Citigroup Broad Market Index < \$2BN				-4.10%				-9.70%				-5.94%				-0.66%	-19.08%	28.58%	26.34%	
<i>Small Cap - Growth</i>																				
Vanguard	25,109	1.0%	1.0%	2.26%	23,463	0.9%	1.0%	-9.13%	25,821	1.0%	1.0%	-4.84%	26,023	1.0%	1.0%	-1.48%	-12.89%	31.00%	28.08%	N/A
Citigroup Broad Market Index < \$2BN				-4.10%				-9.70%				-5.94%				-0.66%	-19.08%	28.58%	26.34%	
TOTAL INTERNATIONAL EQUITY	247,534	9.5%	10.0%	0.74%	234,760	9.0%	10.0%	-9.47%	259,138	9.7%	10.0%	-3.97%	269,907	10.1%	10.0%	-1.70%	-13.91%	28.02%	23.43%	17.15%
MSCI EAFE - 50% Hedged				0.38%				-10.14%				-2.19%				0.11%	-11.68%	26.94%	22.55%	15.71%
DOMESTIC FIXED INCOME																				
<i>Core Bond</i>																				
Western Asset	441,661	17.0%	17.1%	-1.32%	456,758	17.4%	17.1%	1.78%	448,830	16.8%	17.1%	1.63%	439,212	16.4%	17.1%	1.87%	3.99%	7.29%	4.44%	5.64%
Lehman Aggregate				0.14%				1.68%				3.00%				2.84%	7.86%	6.12%	3.98%	4.48%
<i>Mortgage Backed</i>																				
Hyperion	117,322	4.5%	4.4%	-6.76%	121,801	4.6%	4.4%	0.58%	120,058	4.5%	4.4%	-1.00%	119,544	4.5%	4.4%	-1.78%	-8.81%	N/A	N/A	N/A
Lehman Global Aggregate (US Securitized Portion)				0.51%				2.04%				3.15%				3.88%	9.90%			
<i>Core Plus/Enhanced</i>																				
Clifton Group	135,338	5.2%	4.4%	1.23%	134,116	5.1%	4.4%	2.46%	130,842	4.9%	4.4%	3.99%	124,007	4.6%	4.4%	4.41%	12.62%	5.52%	N/A	N/A
Prudential	125,204	4.8%	4.4%	-0.25%	126,763	4.8%	4.4%	0.98%	125,451	4.7%	4.4%	2.45%	120,714	4.5%	4.4%	1.95%	5.20%	N/A	N/A	N/A
Total Core Plus/Enhanced	260,542	10.0%	8.8%	0.51%	260,879	10.0%	8.8%	1.73%	256,293	9.6%	8.8%	3.23%	244,721	9.1%	8.8%	3.18%	8.92%	5.95%	N/A	N/A
Lehman Aggregate				0.14%				1.68%				3.00%				2.84%	7.86%	6.12%		
<i>Index</i>																				
Bank of ND	224,456	8.6%	7.7%	0.84%	229,072	8.7%	7.7%	1.99%	224,526	8.4%	7.7%	3.04%	218,634	8.2%	7.7%	3.09%	9.27%	5.45%	2.92%	4.32%
Lehman Govt/Credit (1)				0.63%				1.90%				3.10%				3.01%	8.90%	6.00%	3.04%	4.35%
<i>BBB Average Quality</i>																				
Wells Capital (formerly Strong)	443,983	17.0%	17.1%	0.07%	449,605	17.2%	17.1%	1.07%	444,958	16.7%	17.1%	1.98%	433,385	16.2%	17.1%	1.48%	4.68%	7.93%	4.86%	6.59%
Lehman US Credit BAA				-0.33%				0.38%				1.90%				1.67%	3.65%	7.54%	4.47%	6.59%
TOTAL DOMESTIC FIXED INCOME	1,487,965	57.1%	55.0%	-0.70%	1,518,114	57.9%	55.0%	1.50%	1,494,665	56.1%	55.0%	2.00%	1,455,495	54.4%	55.0%	1.84%	4.69%	7.11%	3.89%	5.04%
Lehman Aggregate (2)				0.14%				1.68%				3.00%				2.84%	7.86%	6.12%	4.13%	4.87%
CASH EQUIVALENTS																				
<i>Bank of ND</i>																				
90 Day T-Bill	271,175	10.4%	10.0%	0.23%	266,119	10.2%	10.0%	0.29%	265,295	10.0%	10.0%	0.96%	277,473	10.4%	10.0%	1.24%	2.74%	5.36%	4.10%	3.00%
				0.15%				0.50%				1.05%				1.34%	3.07%	5.21%	3.78%	2.76%
TOTAL BONDING FUND	2,604,406	100.0%	100.0%	-0.88%	2,621,580	100.0%	100.0%	-1.69%	2,665,210	100.0%	100.0%	-0.16%	2,677,175	100.0%	100.0%	0.63%	-2.10%	12.43%	8.06%	8.32%
POLICY TARGET BENCHMARK				-0.71%				-1.59%				0.64%				1.92%	0.22%	11.30%	7.64%	7.64%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.

(2) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.